Foreign assistance for various Government Departments

3296. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that loan assistance received from international agencies for projects and programmes of the various Government Departments is deposited in the Consolidated Fund or in other depository;

(b) whether it is a fact that the Departments of the Government are then provided funds in rupee currency in the yearly budget/grants against such assistance;

(c) whether the expenses incurred from these grants are subject to usual economy directives issued by Government from time to time;

(d) whether relaxation of such directives is a normal practice to has ten the process of utilisation of such grants; and

(e) whether specific instructions have been issued to ensure strict compliance of the directive issued?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. KRISHNAMURTHY): (a) Yes, Sir. The loan assistance from International agencies for various Government departments is routed through the Consolidated Fund of India.

(b) Yes Sis.

(c) Yes Sir.

(d) Proposals for relaxations in such cases are examined on merit.

(e) No Sir.

Income tax laws of the country

3297. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) the nature of changes introduced in the Income Tax laws in the present Budget;

(b) whether it is a fact that these changes are of far-reaching nature and call for separate legislation; and

(c) if so, when Government propose to initiate legislation in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) As indicated in the Memorandum explaining the provisions in the Finance Bill, 1995, which was presented in the Parliament, changes introduced in the Income-tax Act relate to the following matters:—

(i) Rates of income-tax and the exemption limit;

(ii) Welfare measures;

(iii) Incentives for infrastructure building, industrialization and export;

(iv) Enlargement of the scope of deduction of tax at source;

(v) Special procedure for assessment of search cases;

(vi) Measures to check tax evasion and avoidance;

(vii) Measures of rationalization;

(b) and (c) Legislation to give effect to these changes is contained in the Finance Bill, 1995, which has already been simultaneously introduced in the Lok Sabha at the time of presenting the Budget for 1995-96. No separate legislation is, therefore, called for to give effect to these changes.

World Bank assistance for Banking Sector

3298. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether World Bank has recently sanctioned loan assistance for India;

(b) if so, the total amount of loan sanctioned by World Bank;

(c) whether the loan has been sanctioned for banking sector; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (MR. M. V. CHANDRASHEKARA MURTHY): (a) to (d) The World Bank has recently sanctioned a loan of dollar 700 million for the Financial Sector Development Project. The loan agreement was signed on 24-3-1995 and made effective on 27-3-1995. The loan consists of three components. First, a Capital Restructuring component of Dollar 350 million seeks to assist Government in making Tier-II capital contribution to six nationalised banks in order to enable them to achieve the capital adquancy norms stipulated by RBI. Second, the Modernisation and Institutional development component of Dollar 150 million aims at building the financial strength and long-term competitiveness of these six banks in a more liberalised banking environment and would cover activities such as automation, computerisation asset liability credit management and organisational improvements. Third, a Backstop Facility component of Dollar 200 million aims at providng nationalised banks and All-India public financial institutions liquidity assurance to assist in an orderly development of the foreign currency term lending market. This is sought to be done by offering them an option to borrow funds under stipulated conditions during financial market disruption.

New Schemes for assessment of Tax

3299. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that names of the State Bank of India and BHEL have figured amongst top ten income tax defaulters against whom the largest amount of income tax is outstanding as on 31-12-94 as per UNI press report published in the Hindustan Times dated 21.3.95 under the heading 'Economy and Business';

(b) if so, what are the names of other PSUs which are evading payment of income tax, including private companies and

(c) what remedial|preventive measures Government have so far taken for introduction of new schemes for assessmentv of tax in 1995-96 including search cases under the Income Tax Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) The following are the names of PSUs|private companies figuring in the list of top tax defaulters as on 31-12-94.

(Rupees in Crores)

	Name of the tax defaulter	Demand Outstanding
1.	State Bank of India	742.25
2.	M/s Bharat Heavy Electricals Ltd.	288.84
3.	M/s Peerless General Finance and Investment Co. Ltd.	243.63
4.	M/s G.T.C Industries Ltd.	211.76
5.	M/s Dhanraj Mills Ltd.	196.75
6.	Banque National De Paris	166.20
7.	Citi Bank N.A.	139.38
8.	United Bank of India	138.60
9.	American Express Bank	111.08
10.	M/s Growmore Research and Assets Management Ltd.	79.45
11.	M/s Steel Authority of India Ltd.	60.40